

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

December 17, 1936

5493

Subject: Current Events

To: Asst. C. of S., G-2

RECEIVED G/2 W. P. JAN 12 1937

President Roosevelt.

President Roosevelt arrived in Buenos Aires on board the Indianapolis Monday, November 30, 1936, at 10:00 A.M., and left on Wednesday, December 2, 1936, at 4 P.M. During that short time on Argentine soil he received one of the greatest demonstrations of affection ever given to a visitor by the Argentine people. In spite of bad weather large crowds greeted him everywhere he went and his ever present smile and "mimpatin" won the hearts of the Argentines. His address at the inauguration of the Pan American Conference for the Consolidation of Peace was enthusiastically received by all who heard it and nothing but favorable comment has been made by the local and world press.

Perhaps of more interest to business men was his final speech at the luncheon offered to President Justo at the American Embassy on Wednesday, in which he expressed the hope that conversations for the negotiations of a Trade Treaty would soon be undertaken in order to ascertain the bases which exist for such an agreement. He also stated that it was "equally clear that quarantine or sanitary regulations should neither be used as disguised tariff measures nor should they be ever applied except in accordance with strict justice". Regarding the ratification of the Sanitary Treaty which is now before the Senate he said: "The ratification of this Convention by the Senate of the United States would culminate an injustice without detriment or prejudice of any kind to the legitimate interests of the cattle industry of the United States, and without relaxing in the least full sanitary protection of our own live stock. I intend to present these facts clearly to the attention of the members of the Senate of the United States, with the hope that our Senate may give its consent to the ratification of the simple instrument of justice." (He could have said nothing better to please the Argentines.)

Anglo-Argentine Trade Treaty.

The Anglo-Argentine Trade Treaty which was signed in London on Tuesday, December 1st. is a disappointment to many persons here

as no effort seen to have been made to further reduce duties on imports from Great Britain and exports to the United Kingdom will suffer from the new duties and quotas. Already the Sociedad Rural has presented a petition to the Administration asking that every effort be made to make some sort of an arrangement for chilled beef quotas to the United States. Such an acceptance on the part of the United States would no doubt be a solution to all the problems now confronting Argentine-American trade relations.

Official Exchange Selling Rate Reduced to 16 Pesos to the Pound.

The following communique was issued on December 9, 1936 by the Ministry of Finance:

"In conformity with the reiterated statements of its intention to return gradually to monetary normality as soon as circumstances permitted, the Government has decided to take new measures tending fundamentally towards the realization of this intention. The regimen of basic prices having been suspended some days ago, it was considered prudent to wait a short time, and to carry on with the complete margin of exchanges in order to confront the possible repercussions which such a modification might involve. Fortunately, the existing position of the grain market has helped to clear the way. The Government therefore, finds itself in a position to contemplate the suppression of the exchange margin. In this sense, and in the exercise of the powers which Law No. 12,160 confers upon it, until there is a return to a free exchange market, the Ministry of Finance has given the necessary instructions that the rate at which the Banco Central de la Republica Argentina sells exchange in the official market shall be lowered from the existing level of 17 pesos per pound sterling to 16 pesos, without prejudice to the fluctuations caused by the natural movement of the market. The Argentine peso thus undergoes an appreciable valorisation, which is by no means artificial, as it constitutes the logical result of the improvement in our balance of payments."

This valorisation does not affect agrarian prices, as with the exception of a few articles, the values at which Argentine exports are negotiated, are determined in accordance with the equivalence of fifteen pesos to the pound sterling. This rate remains unaltered, in order that the difference between it and the new selling price, shall permit the Government to continue to indemnify itself, in accordance with the legal provisions, for the extra cost of exchange for the services of the public debt, until such time as the fiscal situation permits of recourse to other resources, and to prepare, at the same time, for contingencies which may yet present themselves under the existing state of the international economy. It should not be forgotten that in this respect, the Government can count upon the reserve formed

from the profits on exchange, accumulated up-to-date, the disposal of which will be proposed to Congress in due course, in accordance with the primordial intentions had in mind in constituting it.

In this manner the Argentine Government considers that it is reconciling the necessity of dismantling, gradually, the emergency mechanism imposed by the crisis, with the prudent attitude of still maintaining some of its resorts until new circumstances favorable to its elimination arise.

In the meantime the Government is carrying out its undertaking to the country, and hopes that that final moment will be hastened once the principal Powers decide to confront the problem of their definitive monetary stabilization."

The Duty on Motor-Vehicles.

National Deputy Senor Ernesto Sammartino has presented a project to the Chamber of Deputies for the reduction by fifty per cent of the existing duty on the importation of motor-vehicles. The measure has been sent to the Budget and Finance Committee for report.

New Italian Ambassador.

It was announced some three months ago that Senor Rafael Guariglia was to be the new Italian Ambassador to Argentina. It was then stated that Senor Guariglia was to go to the London Embassy, and that Prince Ascanio Colonna would be sent to Buenos Aires. Now the original appointment - of Senor Guariglia to Buenos Aires - has been reverted to. Senor Guariglia was Ambassador to Spain from 1932 to 1935. He entered his country's diplomatic service in 1909, occupying posts successively in Paris, London, St. Petersburg and Brussels, as well as, on occasion, at the Foreign Ministry in Rome.

A Consortium for Paraguayan Exports.

A telegram from Asuncion to "La Nacion" records the formation in that city of an important consortium of foreign capitalists having for object the opening up of markets in the Far East for tobacco, cotton and "yerba mate". The consortium also contemplates carrying out trial cultivations of tea, "tuna" juice and other products, for which purpose it has engaged the services of experts. The new entity is to commence operations in 1937 with the purchase of at least a million pesos (Argentine) worth of cattle, as well as the whole output of a local frigorifice.

Revival in Paraguay.

"Increasing interest is being shown in Paraguay for the development of the little Republic's wide open spaces, both by Paraguayans and foreigners. Selected immigration - largely Polish - is being encouraged by the Government. Attention is being paid too, by the authorities to Paraguay's undoubted possibilities as a cotton producing country."

"Enterprising representatives of foreign capital also are spying out the land. A telegram from Asuncion reports the arrival there a few days ago of a North American capitalist interested in securing contracts for public works, including a new building for the housing of a number of Government offices. Simultaneously, several French capitalists had arrived with the intention of acquiring large areas for agricultural development. Asuncion newspapers also announce the forthcoming arrival of representatives of Roumanian firms for the purpose of prospecting for petroleum in Paraguay."

Bumper Cotton Crop Expected in Paraguay.

It is reported from Asuncion that recent rains justify the expectation that the forthcoming cotton crop in Paraguay will be an extraordinary one. One important cotton firm operating in the country since the middle of last year has commenced the erection of eleven warehouses at different townships for the storage of its purchases.

Lester Baker

Lester Baker
Lt. Col., Inf.
Military Attache

EMBASSY OF THE
UNITED STATES OF AMERICA
OFFICE OF THE MILITARY ATTACHE
BUENOS AIRES, ARGENTINA.

3-1 2048-1821
98
MAR 11 1937
INTEL. DIV.
WAR DEPARTMENT

February 12, 1937

5527

Subject: Current Events

To: Asst. C. of S., G-2

RECEIVED G/2 W. D. MAR 8 1937

NO NITRATE FOR AIRPLANES.

A telegram from Santiago de Chile states that a denial has been given in authoritative sources to a report that negotiations were afoot for the exchange of 150,000 tons of Chilean nitrate for an unspecified number of French airplanes.

THE PROPOSED AIR-PORT.

On February 3, 1937, the President of the Republic of Argentina signed a decree bearing the counter-signatures of the Ministers of the Interior, Public Works and Marine, approving the ante-project relative to the construction of an air-port within the municipal limits of the city of Buenos Aires and the adjacent riverside, formulated by the special commission appointed for that purpose in terms of Law No. 12,285. The decree also ordains that the Ministries of War and Marine shall complete the bases, plans, estimates and specifications necessary for the construction of the air-port, fixing its exact site. In due course the Ministry of the Interior is to present to Congress the corresponding Message and project of law. The preamble to the decree states that the special commission recommends that dirigibles be not included among the aircraft utilizing the air-port, because the erection of a mast in the landing area would prejudice the installations necessary for dealing with airplanes and hydroplanes. It is also placed on record that the sum of ten million pesos contemplated by Law No. 12,285, is, in the opinion of the special commission, insufficient for the complete equipment of the air-port, and that commission is required to formulate an estimate of the total cost.

BOLIVIAN OIL TRANSIT VIA BRAZIL.

The Bolivian Minister in Brazil, Senor Ostria Gutierrez, recently told a press representative that a mixed commission would shortly be

constituted in the Bolivian capital (La Paz) to arrange for a railway connection between Bolivia and Brazil which will permit of the outlet of Bolivian petroleum through Brazilian territory.

RAIL CARS FOR ARGENTINA.

An order of 99 diesel rail cars has been placed with the English Electrical Company of Preston, by the Buenos Aires Great Southern and the Buenos Aires Western Railways. They will cost approximately 400,000 pounds sterling.

The placing of this considerable contract will directly and indirectly provide a year's work for 1,600 persons. In 1928 material of a value of over 11,000,000 pounds was purchased in Great Britain by British-Argentine Railways, for renewals and development purposes. The figure has fallen to a low level in recent years, but is now tending to rise again.

PARAGUAYAN COTTON EXPORTS.

The Paraguayan Cotton Classifying Office announces that during 1936, 43,746 bales of cotton, weighing 9,300,000 kilos, were exported from the country.

TEA CULTIVATION IN PARAGUAY.

It is reported from Asuncion that a Senor Emil Flury has obtained very satisfactory results from experiments he has made in growing the China tea plant in Paraguay.

GENERAL JOSE FELIX ESTIGARRIBIA.

General Jose Felix Estigarribia, the victorious leader of the Paraguayan Army in the recent Chaco War, now in exile in Argentina, has been placed on the retired list with a pension of 25,000 pesos (Paraguayan) per month.

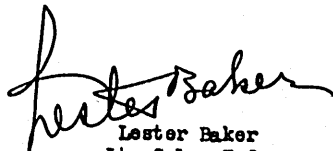
SPURGE CULTIVATION IN PARAGUAY.

It is reported from Asuncion that simultaneously with the intensification of cotton cultivation, the Paraguayan Ministry of Agriculture has appointed delegates to impress upon rural workers the desirability of increasing the cultivation of spurge, large quantities of which are exported to Holland where the article is used in textile factories. Current prices are at the rate of one peso, Argentine currency, per ten kilos. The cultivation of spurge

commenced to become more intense in the early days of the Chaco war, the whole output being absorbed by national factories which used it in the elaboration of oil for airplanes.

AIR MAIL EXTENSION.

On February 2, 1937 the Executive Power published a decree authorizing the "Aeroposta Argentina" to extend to the Federal Capital its existing route between Rio Grande, in the Territory of Tierra del Fuego, and the city of Bahia Blanca. To give effect to this decree the Department of "Aeronautica Civil" is to concert with the concessionaire company a contract ad referendum to the Executive Power on the following bases: Operation of air transport services (mail, passengers and general cargo) between Rio Grande and Buenos Aires, with a round voyage weekly between Rio Grande and Buenos Aires, and a supplementary voyage in both directions between Comodoro Rivadavia and Buenos Aires. - The substitution during the current year of the existing flying material by modern machines satisfying the necessities or the conveniences, especially as regards safety, regularity, celerity and comfort of this public service. - The establishment and operation during the current year of the services of aerial infra-structure and improvement of the installations and services at the air-ports and air-stations tending to a greater safety of the flights and comfort of the passengers. - Substitution of the existing subsidy in cash and in kind (naphtha, lubricating oil, and free telegraphic and postal service) by a single monthly contribution in cash of \$1.50 per kilometer of flight, payable as from the date of this present decree. - The contract is to be valid for ten years as from February 2. In the preamble to the decree the Executive Power refers to the financial vicissitudes supported by the company since the year 1929; to the subsidy in kind which it had to accept from several companies interested in the maintenance of the services; to the political, economic and social importance of these services and to the desirability of extending them to the Federal Capital. As to the subsidy of \$1.50 per kilometer of flight, the Executive Power considers it equitable and in keeping with the generally accepted costs corresponding to the special characteristics of the working of this line and its economic possibilities.



Lester Baker
Lt. Col., Inf.
Military Attache

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6-1 2048-182
JUL 29 1937
WAR DEPARTMENT

Buenos Aires, June 30, 1937.

No. 5610.

Subject: Current Events, Argentina.

To: Asst. C. of S., G-2.

2048-182

PRESIDENTIAL CAMPAIGN.

RECEIVED G-2 JUL 31 1937

The campaign for the presidential election to be held in September began to assume life late in June when Finance Minister Ortiz and Minister of the Interior Castillo (see G-2 report #5608, June 26th) resigned their portfolios to become candidates for president and vice-president, respectively, on the "conferencia" ticket. Former President Alvear who is the socialist candidate started his stumping tour in the provinces early in June and intends to continue after the other candidates begin theirs and until the election date. It is stated in the press and from political quarters that the Ortiz-Castillo combination will travel together in their campaign throughout the country. There seems little doubt in political circles that Sr. Ortiz and his running mate will head the next government for a period of six years as they have the backing of the present administration.

PRESIDENT JUSTO TO UNITED STATES.

It is reported on good authority that President Justo will leave the Argentine for the United States soon after the September elections which choose his successor. This trip will be a return of the visit of President Roosevelt to Argentina and will be made before Justo's term of office expires in January 1938.

RAILROAD DEVELOPMENTS.

The Argentine government has reached an agreement with the privately-owned Transandine Railway Company (English) to take over the entire road which connects the capitals of Argentina and Chile for the sum of 750,000 pounds sterling. (Reference G-2 report #5609, June 28th). This move of the government is stated to be a forward step in buying out the Cordoba Central Railway and the Rafael Steam Tramways in the message of the Executive to Congress asking for approval of the Transandine purchase. There seems to be no political opposition to the government so engaging in further railroad operation.

✓ FALKLAND ISLANDS DISPUTE.

Argentina's perpetual claim to the Falkland Islands (Malvinas islands in Argentine terms) cropped up during June when the Argentine consul-general in Montevideo refused a visa on two British passports for a visit to Buenos Aires. In addition to refusing the visas, the consul confiscated the passports, according to

Current Events--2--

press reports, on the ground that the individuals should have Argentine passports. The government attitude backed up the stand of the consul, and La Prensa in an editorial commenced with these words: "The national sovereignty over the Malvinas Islands is a principle which our country has never renounced" and it goes on to say that the British flag was raised by force more than 100 years ago over the group. The question used up columns of printers ink, especially in the English-language press, which is strongly pro-British in such questions. One editorial in this press mentioned the fact that if the Falklands had not been under British control and a surprise fleet based there when the Germans came around from the Pacific and were defeated, the fate of Montevideo and Buenos Aires, first objectives of the Germans, would have been laid in ruins; that on this ground alone the British title should never be disputed. Furthermore, this press pointed out that the inhabitants for the past century had been British subjects, either direct from Britain or descendants of British-born citizens and that no Argentines had lived on the islands for many years.

HOMAGE TO THE FLAG.

On Sunday, June 27th, Buenos Aires saw a demonstration of patriotism and loyalty without precedent in any land. Estimated at 150,000, plain citizens, men, women and youths of both sexes marched the length of Avenida de Mayo to the Plaza of the same name and at the foot of Belgrano's statue paid homage to the Argentine colors of blue and white. The procession, punctuated by military bands, swung along at a cadence of 100 to the minute and took more than an hour to pass a given point although the marchers were mostly twenty or more abreast; some of these lines of twenty had as many flags as marchers and the entire avenida as far as the eye could reach was a mass of wind-whipped national colors. All the schools of the province of Buenos Aires were represented, teachers of both sexes, nurses in white uniforms and caps their shoulders covered by navy-blue capes, crimson facings. President Justo delivered the oration of the day surrounded by other civil and military dignitaries. (Page of rotogravure attached).

ARGENTINA'S DEVIL'S ISLAND.

Shortly after midnight June 19th the government transport Chaco sailed from Buenos Aires with seventy convicts bound for Ushuala in bleak Tierra del Fuego, known as Argentina's "devil's island" although it is located in the bleak regions in the vicinity of Cape Horn and far different from the tropical Cayenne prison of the French. Escape, on account of the inhospitableness of the surrounding country is practically unknown. The prisoners, all long-term convicts, were taken to the blacksmith shop and fitted with leg-irons in which they had to march aboard the transport. (Cutting of prisoner with irons).

Lester Baker
Lester Baker, Col. Inf.,
Military Attache.

Original & 5 copies mailed July 2nd.

1937
4-1 26 2048-182
AUG 100
WAR DEPARTMENT

Buenos Aires, July 30, 1937.

No. 5630.

Subject: Current Events, Argentina.

To: Asst. C. of S., G-2.

RECEIVED G/2 W.D. AUG 24 1937

PRESIDENTIAL CAMPAIGN:

The three important candidates for the presidential office during the coming term, Ortiz, Alvear and Repetto, are steadily campaigning in the provinces with brief intervals in Buenos Aires. The first political trouble took place on the night of July 28th after a meeting in a local theater attended by Dr. Alvear when rival crowds of "Radical" and "Concordancia" followers staged a street fight which was broken up with difficulty by the police with a free use of night-sticks and sabres. In spite of the nearness of the election, September 5th, the local press devotes only a few columns daily to the campaign. It is not expected that any legislative work will be done until after the election as so many deputies and senators are in their home districts that quorums cannot be obtained to transact business. The budget was submitted in May, as provided by the Constitution, for the first time in history but no notable progress has been made for its adoption.

PLANES FOR ARMY:

Six Focke-Wulff aeroplanes for the army aviation school have been delivered recently, the second shipment received, and eight more of the same type are expected early in August. This last shipment will complete the purchase of twenty such planes the army bought in Germany. The Ministry of War has acquired the rights, according to the local press, for the construction of these machines in its army factory at Córdoba. Such manufacture is expected to begin before the end of the present year.

GLIDER RECORD:

Hans Ott in the glider "Argentina" made a South American record on July 24th when he flew his motorless machine 52 kilometers from Colonia, Uruguay, to Quilmes, Argentina, a distance which covered the breadth of the Rio de La Plata, the first time it has been flown by a glider. The time consumed was slightly less than one hour. Ott bought the glider in Germany a few months ago and started from Rio de Janeiro for the Argentine last February with stops at various cities for demonstrations and propaganda in favor of motorless flying. He had an accident in Rio Grande do Sul which delayed him several weeks.

Argentina, current events - 2-

FOREIGN TRADE:

The foreign trade of Argentina for the first six months of 1937 amounted to \$2,078,193,000 pesos as compared with the same period a year ago when it was \$1,262,243,000, or an increase of 64.6%. Imports showed a gain of 24.2% over last year but exports jumped from \$723,303,000 to \$1,409,047,000, or an increase of 94.8%. The increase of exports over the first six months of 1936 is due to larger shipments of corn, wheat, oats, barley, linseed and rye. The United States is running close to Great Britain in imports to Argentina and threatens the dominant place the United Kingdom has always held in this market.

NATIONAL RADIO SYSTEM:

The National Government has issued a decree approved in Cabinet Council for a credit of 1,283,000 pesos for the extension of the national system of radio communication, under control of the Department of Posts and Telegraphs. The credit provides for: installation of two radiotelegraphic and radiotelephonic sets at the transmitting station of National Telegraphs known as General Pacheco; receiving plant for both telephonic and telegraphic communications at Tucumán, Mendoza; Corrientes, and Córdoba; two telegraphic stations at Neuquén and Ushuala; two stations for movable and fixed service at Bahía Blanca and Río Gallegos; new equipment at Comodoro Rivadavia Station; five radiotelegraph to be installed at San Juan, Salta, Viedma, Rawson, Posadas; a new commercial station for telegraph and telephonic service at the central station at Quilmes; and fifty small transmitting stations scattered at provincial points not heretofore so provided.

NEW MARINE MINISTRY BUILDING:

President Justo on July 29th signed a decree approving the plans drawn up and the budget for \$1,644,347 pesos for the construction of a new Ministry of Marine Building. Bids for the construction will be asked for immediately; the actual construction of the building is not to cost more than \$8,340,117 pesos.

✓ BUENOS AIRES POPULATION:

On March 31st of the present year Buenos Aires had a population of 2,279,287 inhabitants, according to the June report of the Municipal Statistical Review.

Original & 5 copies mailed July 31st.

Lester Baker, Col. Inf.,
Military Attaché.

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2048-182
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Buenos Aires, August 30, 1937.

No. 5639.

Subject: Current Events, Argentina.

To: Asst. C. of S., G-2.

RECEIVED G/2 W. D. SEP 18 1937

AVIATION.

The fifth aviation conference organized under the direction of the Comité Argentino Permanente de Aeronáutica was held in the city of Tucumán for three days, August 27, 28 and 29th. Fifty-eight aeronautical bodies of the country were represented by 104 delegates; besides the various civil bodies which had delegates present all the ministries except that of War had experts in aviation attending. Important matters discussed were the establishment of landing fields and beacons, making the Argentine people "air conscious" and the use of aviation in battling agricultural pests.

During August the Argentine Army received eight Focke-Wulff training planes from Hamburg (in addition to six in July), two Fairchild 82-a planes for the army geographical institute to be used in mapping the country; the army photographic work was started in 1934 under the direction of Colonel Baldomero Biedma. These Fairchild planes carry ten passengers and the pilot, are equipped with Pratt and Whitney motors with a cruising speed of 235 kilometers, and the photographic equipment is Zeiss from Germany.

Three Consolidated P2Y3 hydroplanes for the Argentine navy from San Diego late in August and three more of the same type are due during September. These planes will be based at Puerto Belgrano. Three Condor transport planes also arrived for the navy at the same time.

It is announced that the Ministry of War will construct thirty Focke-Wulff training planes at its Córdoba factory in the near future.

The Panagra plane Santa Elena crashed in a fog against the side of a mountain on August 23 while flying from Mendoza to Córdoba without passengers. The bodies of the crew of three were carbonized. The plane was a Douglas, one of the regular planes on the Buenos Aires - Santiago run.

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No. 5639.

The Argentine army has purchased in Germany through its army purchasing commission located in Europe a number of light tanks. This equipment is expected to reach Argentina during September in time for use by the Class of 1916 now undergoing its military training. No technical details of the tanks nor of their number is mentioned in press reports.

At present the army engineers are preparing plans for various cuartels in Patagonia for use of the 6th army division which is based on Bahia Blanca. In this connection, besides stations at various points in the Andean foothills, there will be erected cuartels at Comodoro Rivadavia for the 8th Infantry and at Neuquen for the 10th.

The 10th Infantry, first unit to be motorized in the Argentine army, celebrated the 123rd anniversary of its creation at Campo de Mayo on August 9th prior to leaving for its new station in the Territory of Nuquen. The regiment was motorized by decree of April 9, 1937.

The Argentine destroyer San Luis was launched at Glasgow on August 24. A sister ship, San Juan, was launched in June from the same yards. These vessels are 320 feet long on the water-line, have a beam of 33 feet and displace 1,400 tons. Naval authorities here are reported to be much concerned at the delay in deliveries of orders placed in British shipyards; work appears to be nearly at a standstill owing to the press of work caused by Britain's re-armament program.

Trials of the navy tanker Punta Alta which has been constructed in the navy yard at Puerto Belgrano are expected to take place early in September. The tanker is 64 meters long, 10 meters wide and has a displacement of 1,750 tons. It can carry 1,100 tons of petroleum, is motored by twin-Diesels of 375 h.p. each and has a speed of 12 miles per hour.

Lester Baker, Col. Inf.,
Military Attaché.

W/

6-1 23 1937
OFFICE CHIEF, MIL. INTEL. DIV.
2048-182
102-ny

Buenos Aires, September 27, 1937.

No. 5642.

Subject: Current Events, Argentina.

To: A. C. of S., G-2.

RECEIVED G-2 W. D. OCT 23 1937

ARMY MANEUVERS.

Artillery units of the Army began to concentrate in the Tronconi zone, province of Buenos Aires, during the week of September 19th for firing practice and maneuvers which are scheduled to continue for a month. The detachments from the Artillery School were the first to arrive, under command of Lt. Col. Raúl A. Gonzalez, for firing exercises.

Commenting on this concentration of artillery, La Nacion on September 14th said: "The exercises planned are without doubt the most important that have ever been held by our artillery; in addition to the School, regiments 1, 2 and 3 of artillery and the 2nd division of cavalry artillery will take part. The work will take place in an open tract of land which is large enough to permit the testing of all materiel, including modern cannons of 155mm, and howitzers of 105 and 155mm; campaign cannons of 75, 105 and 155 mm. To give an idea of the magnitude of these maneuvers, in one of the exercises 15 batteries of all calibres will be employed.

"Anti-aircraft artillery will be used in these exercises for the first time, daily and nightly, in which a special branch from the artillery school will participate. They will shoot at targets towed by airplanes. Aviation will play an important part in these maneuvers since, in addition to this task, it will perform duties relating to observation and direction of aim. The most important exercises will be witnessed by the Minister of War, other high military authorities and foreign attachés."

POWDER FACTORY.

Bids were opened on September 25th by the Minister of War in Buenos Aires for the construction of the proposed powder and munitions factory which it is planned to erect in Villa Maria, province of Córdoba. The plans are for a factory which will supply all the needs of the Argentine army. Bidders were: Koln Rottwell, A.G. of Germany, Aktiebolaget Bofors Nobelkrut of Sweden, Société Universelle des Explosifs de France, and Fábrica Nacional de Explosivos of Poland. There were no bidders from the United States or Britain. Other European firms notified the Argentine Government that they were unable to bid because of demands for their full production from their home governments. The bids are now under consideration.

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No. 5642.

IMMIGRATION AGREEMENT.

On September 21st Argentina and Denmark signed an immigration agreement for the stimulation of Danish emigration to this country. This is the third such agreement negotiated within a few months by the Argentine government and is identical with those signed with Holland and Switzerland. It provides that the government of Argentina shall inform the Danish government annually, or oftener if deemed necessary, possibilities of colonization in farming districts including prices of land, credit co-operation laws for agriculture, nearness to markets, and, in fact, all information which would interest prospective farmers.

During the first seven months of the current year 28,296 immigrants entered Argentina, statistics show. Poles led with 8,325, with Italians second numbering 4,293. There were 831 Asiatics - most all Japanese.

REGULATE SALARIES.

The Executive has presented a bill to Congress which provides for the creation of a Salary Regulating Board under the chairmanship of the Minister of the Interior or the President of the National Labor Department. This Board will establish minimum salaries for all industries in the Republic and both employers and employees will be represented in its membership. Minimum wages will vary in different parts of the country and in different industries; the Board will only intervene only in cases where employers and trade unions fail to agree.

REPATRIATE GOLD.

The first shipment of gold bullion in the repatriation of a total of 1,920,000 Troy ounces which the Argentine Government is withdrawing from deposit in London arrived by the Alcantara on September 21st. It amounted to \$31,000,000 Argentine pesos in 710 bars of 285,500 Troy ounces. Due to the favorable trade balance of the past few years Argentina is withdrawing gold from the Bank of England; it recently wiped out its dollar loans of several millions by an internal loan.

Original & 5 copies mailed Oct. 1st.

W/

LESTER BAKER, COL. INF.
MILITARY ATTACHE

6-1 2048-182
NOV 29 1937
OFFICE CHIEF OF STAFF
MIL., INTEL. DIV.
103
WAR DEPARTMENT

Buenos Aires, October 30, 1937.

No. 5663.

Subject: Current Events, Argentina.

To: Asst. C. of S., G-2.

NOV 26 1937

WHEAT EMBARGO.

Neither wheat nor wheat flour can be exported from Argentina until further notice, according to a Government decree which was put into effect on October 29th which was within twenty-four hours of its promulgation. The prevailing prosperity in Argentina is based to a great extent on its grain and meat exports - especially to the United States - but the steadily increase in the cost of living necessities of which bread is an example has caused the Government to clamp down, first on wheat and flour. In addition to the embargo on wheat exports, the Government took another step to reduce the cost of bread to the consumer; this was to have army bakeries in and around the Capital and even a penitentiary bakery place their product on sale to combat the private bakery prices. In addition to these steps by the Federal Government, the City Government of Buenos Aires was authorized today by the Municipal Council to go into the bakery business to the extent of baking 100,000 kilos of bread daily for sale to the public.

✓ ARMY MANEUVERS.

The artillery in the south and aviation near Córdoba have finished maneuvers, those of the artillery continuing several weeks and the aviation only one week. In the artillery schedule, in addition to regular target practice, was included for the first time the use of anti-aircraft batteries and motorized units. In aviation new types of bombers and pursuit planes were used with gratifying results except for the accident of two Curtis Hawks destroyed when bombs they were carrying exploded while still in the racks. (Report #5662 October 28th).

✓ PROPOSED NEW ARMY UNITS.

The Argentine army proposes, it is stated unofficially, to incorporate new units in the force after the first of the coming year. One new unit will be the 21st Infantry which will be quartered at Esquel (Chubut) and will become a mountain regiment. Other units which have not yet been specified except generally as horse artillery, scouts and engineers, will also be incorporated in the forces of Patagonia during the year 1938.

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POWER FOR MUNITION FACTORY.

Civil engineers and army officers during October made an inspection of hydroelectric power available at the dam and canal of the River Tercero in the province of Córdoba to ascertain its availability for use as power for the proposed munitions (powder) plant the army is to erect near the Rio Tercero station on the Central Argentine Railway. One of the plants in operation was built in 1914 and supplies 1,200 h.p., another, recently built, has a capacity of 12,000 h.p., and the third plant which is now under construction will have a capacity of 14,000 h.p. The experts believe power from this dam, which is said to be the greatest in South America, can be used for the proposed powder factory.

AVIATION ACCIDENTS.

Ensign Gómez Sánchez and a sailor lost their lives near Puerto Belgrano when a Cosair 209 took fire in the air during practice flight. Both victims were students at the aviation school of the First Naval District, and the plane was flying with others in maneuvers. The plane fell into the water and it was some hours before the bodies were recovered. The cause of the fire has not been determined.

At the Rivadavia airfield later in the month, October 22nd, the Assistant Director of Civil Aeronautics was killed when a new touring plane built in the national factory at Córdoba caught fire in the air. Sr. Alberto Arata, the official killed, had been flying for more than ten years. The plane involved was a touring plane, As. C, 3-G No. 1, built in the army factory at Córdoba and flown from there by Captain Cairo of the army aviation branch. It was a plane turned over to the civil aeronautic branch of the Government by the army. An investigation is being held.

WIDEST AVENUE.

What is claimed to be the widest avenue in the world, 140 meters, for a length of six blocks, was opened by President Justo on October 12th. When the avenue is finished it will be thirty-five blocks in length and of the same width throughout. Notable as an engineering feat, especially in what is generally considered as a mañana country, was the construction of this first section because it was completed in seven months from the time the first ejection orders were issued to inhabitants and owners of the 105 buildings which were condemned for the purpose. Underground parking spaces to hold 1,000 cars were constructed. These are believed safe hide-outs for 60,000 persons in case of air raids.

NEW OCEAN HIGHWAY.

By the end of 1938 the Government hopes to have completed a 2,000-mile highway connecting Buenos Aires with Ushuaia in Tierra del Fuego. Tenders for the section between Buenos Aires and Bahía Blanca will be called for next

• 2002 •

JAPANESE FISHERMEN.

LACK OF BUDGET ACTION.

Original & 5 copies mailed Nov.6th.

Lester Baker

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DEC 16 1937
2048-182
164
WAR DEPARTMENT

Buenos Aires, November 30, 1937.

No. 5679.

Subject: Current Events, Argentina.

To: Asst. C. of S., G-2.

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ELECTION FINALS.

The final phase of the 1937 presidential elections, held the first Sunday in September, took place on November 25th when both houses of Congress met and proclaimed Dr. Roberto M. Ortiz and Dr. Ramón Castillo president and vice-president of the nation for the six-year term which commences February 20, 1938, when they take the oath of office. There was considerable speculation as to whether the Radical Party (Alvear-Mosca) by its congressional representatives abstaining from attendance and thus preventing a two-thirds attendance would be able to thwart the proclamation. Leaders decided that a majority of those present and not two-thirds of the membership made a valid vote.

It is now expected that the Executive will call a special session of Congress in the near future so that necessary legislation may be passed during the present presidential term, especially action on the budget. Little legislation was passed during the past session as the members of the two houses were so busy in the presidential campaign that there was seldom a quorum available for business.

AVIATION.

Continued aviation accidents in both the army and navy have caused considerable editorial comment in the Buenos Aires press. On November 4, 1937, near Bahia Blanca three navy pilots lost their lives and another mechanic was injured in two separate accidents. The official statements were to the effect that both accidents were the fault of the personnel although the pilots had had many hours in the air. Later in the month two army planes during maneuvers over Campo de Mayo collided - there were fifteen planes in the air at the time - and there was one fatality, a mechanic, whose parachute failed to open.

Italian aviators, ten of them, flew to Buenos Aires from Santiago after they had attended the aviation Congress at Lima, and thrilled thousands of Argentines by stunt flying on two different occasions over the city. Paul Codos (French) made a record flight from France in a few hours more than two days. (Both these flights reported at length previously).

NEW DESTROYERS.

At Birkenhead on November 3, 1937, the Argentine destroyer Santa

Nº 5679.

Cruz was launched; this is the seventh of the destroyers contracted for in British yards all on the same model and they will be in commission in Argentine waters before the middle of 1938. These vessels are each 98 meters in length, 10 meters beam, 2.60 meters draught, have a speed of 35 knots with 34,000 h.p. engines. They displace 1,375 tons each.

✓ FRANCO INTERNED.

Former President Franco of Paraguay, whose near-communist regime was overthrown some time ago (fully reported previously) and who with others of his party has been living in Buenos Aires, has been ordered interned by the Argentine authorities at the request of the Paiva government. He and other influential officials of the former government are to be placed in a part of Argentina distant from the Paraguayan border.

DEFENSE COUNCIL.

La Prensa editorially suggests to the Government that a council of national defense be formed to act in a purely consultative capacity to advise the executive. In elaborating its idea, La Prensa suggests the creation of a "Ministerio de la Defensa Nacional" which would have, except for the command of the armed forces, absolute authority in preparing the nation's defenses along all lines. This ministry would occupy itself with the supply of raw materials and their manufacture for war supplies but, it would appear, without nationalization of industry.

INTERNATIONAL RAILWAY.

The Bolivian Government deposited 30,000 Argentine pesos to the credit of the Argentine National Railways during November to pay the first expenses for the survey etc of a railway line to connect Yacuiba, Argentina, with Santa Cruz de la Sierra, Bolivia. The start of this work, and the signing of the accord between the two countries for the shipment of Bolivian oil into Argentina for storage and sale, mark two important steps in the program of increasing commercial interchange between the two countries. (Oil agreement previously reported).

Lester Baker
Lester Baker, Col. Inf.,
Military Attaché.

Original & 4 copies airmailed Dec. 3rd.
Confirmation copy mailed Dec. 4th.